



Fact Sheet January 2014

Overview

The city of Indianola is carrying a large debt burden of just under \$57 million dollars. We are at a critical junction in determining the future of our community with the upcoming budget and subsequent decisions that will be voted on in March by city council. The city has been borrowing money and outspending its revenues for more than a decade. It's time for a complete reevaluation of how we're managing our finances.

Facts

- The city's expenses on average have exceeded income by **\$2.6 million** annually for the past 10 years.
- This form of fiscal management is comparable to using a credit card to pay bills.
- Our current general obligation debt is at 63 percent the state debt limit (\$40.2 million). As of today, we owe about \$25.3 million in general obligation debt.
- We have outstanding schools and educational facilities because we've invested in them over the years. Now it's time to look at our city facilities.
- The city budget impacts the **Fire Department** (including the **Ambulance** and fire trucks), **Police Department** (including officers, squad cars and response time) **Parks and Rec Department** (including parks, trails, recreation center, and recreations activities), **Public Library**, **Water Treatment**, **Streets**, **Storm Sewers**, and **Swimming Pool** all important to the quality of life in Indianola.
- All operational fund balances are below 20% and in many cases below 10%.
- Educating the public about the importance and needs of our city services is essential in correcting past budget issues.

How Indianola compares

Taxes Paid Per Capita for City Operations and Services vs. Tax Rate

Indianola – \$354.95 @ \$11.20

Norwalk - \$480.54 @ \$15.69

Waukee – \$529.38 @ \$13.50

Johnston – \$708.71 @ \$11.15

Clive – \$755.58 @ \$9.99

Moving forward

If we can address our current budget situation now, we'll be on a path to success. Making the tough decisions today will put us in a very good place two-three years from now. We are not in a crisis mode, but if we don't make sound financial decisions today, it will become a crisis in a few years.